



# Youth Muni Fares

# Context

- **For Fiscal 2012, the SFMTA is facing a projected \$23 million shortfall between revenues and expenditures**
- **For Fiscal 2013-2014, initial projections show shortfalls that will have to be closed before a new two-year budget is adopted**
- **Preliminary analysis suggests Muni budget currently sized for service plan, but omits funding for:**
  - Special events
  - Unplanned service interruptions
  - Industry standard levels of preventative maintenance/cleaning
  - Historical levels of field supervision, station management, etc.
  - Budgeted reserve
- **Revenue additions and expenditure reductions should take the foregoing into account, while also considering other, new programs**

# History

- For Fiscal Years 2011 and 2012 the SFMTA Board approved a two-year program to provide 12,000 youth monthly passes to the SFUSD for distribution at 50% of the regular price for low-income students (\$10 and \$10.50 respectively)
- The implementation of reduced price pass program did not move forward due to various administrative and distribution issues
- The SFMTA Board subsequently approved the distribution of 12,000 free passes for the final three months of the 2010/2011 school year
- The 2012 program is on hold
- A coalition of advocacy groups led by Supervisor David Campos is now evaluating free fare for all youth in San Francisco
- The Budget Analyst has completed a report on the financial impact of a free fare for youth program

## Current Proposal

- **Free fares for all youth**
- **Unlimited access to Muni**
- **Three year pilot program**
- **Administered through Clipper Card program- youth will be required to obtain a Clipper Card**
- **Data from Clipper will be used to evaluate usage and travel patterns**
- **A combination of sources to fund the program including \$1.4 million from SFMTA annually**

# Budget Analyst Report

**Ridership Increase: 4.6%**

**Cost: \$7 million**

- **\$6.4 million – Monthly Pass & Cash Fare Revenue Loss**
- **\$500,000 – Maintenance (Graffiti and Vandalism)**
- **\$273,430 – Incremental Clipper Costs**
- **\$130,000 – Additional Muni Transit Assistance Support**
- **(\$300,000) – Reduce Transit Fare Inspector Positions**

**Does not include any potential service increase in the above costs**

# Other Issues

- **Other models for consideration:**
  - Reduce instead of eliminate fare for youth pass (no change to cash fare)
    - Half face value of youth pass has a \$1.4 m revenue impact
    - Quarter face value of youth pass will have a \$2.1 m revenue impact
  - Limit program by time (hours/days/months)  
*challenging with current Clipper framework*
  - Limit program by income (low-income youth only)  
*challenging administratively and will require funding*
- **Program cannot be limited to San Francisco youth only given limitations of Clipper**
  - System not capable of limiting or extending fares to a subset of an existing fare category.
  - To make this feasible would require regional prioritization of the Clipper tasks and funding for programming.

# Other Issues

- **Budget Analyst Report:**
  - The SFMTA does not believe that the \$300k reduction in transit fare inspectors is likely given that POP program staffing levels are already significantly lower than peer agencies
  - Likely that SFMTA will incur increased administrative, marketing and communication costs of \$200k
  - Estimate does not include \$1.4 million in revenue loss for “Youth Lifeline” program beyond FY 2012
  - The assumption that no additional service hours or capacity will be required is unrealistic

# Other Issues

- **Budget Analyst Report (continued):**
  - **The assumption that there will be no costs for additional service hours or capacity is unrealistic**
    - **Over a dozen bus and rail routes are already over capacity at times with the heaviest youth demand. Any incremental ridership will reduce capacity for other customers unless service is added.**
    - **SFMTA estimates 25,000 to 37,000 additional service hours at an operating cost of \$6.0 million annually.\***
    - **Because much of this new service would be at peak times, SFMTA may need to procure additional vehicles which would require capital funding (costs not included).**

*\*Estimate subject to further refinements and analysis of specific service changes*



## Next Steps

- **SFMTA staff continuing to work with stakeholders to:**
  - Determine preferred model
  - Refine expenditure impact
  - Identify ongoing revenue source
- **Need SFMTA Board direction on:**
  - Model preference
  - Policy framework for decisions